

~~ADMINISTRATIVE INFORMATION USE ONLY~~**CIA RETIREMENT AND DISABILITY SYSTEM**

1. The President has approved HR 8427 which provides for the establishment of a Central Intelligence Agency Retirement and Disability System for a limited number of employees. An implementing regulation has been drafted but will not become effective until it has been coordinated with the Bureau of the Budget and the Chairman and ranking minority members of the House and Senate Armed Services Committees. This coordination will be completed as soon as possible and, in the meantime, preparations are being made to put the new retirement system into effect shortly after final approval of the regulation.

2. The number of inquiries already received shows that many Agency employees desire an immediate determination regarding their eligibility to participate in this new retirement system. This system, however, is unique in that eligibility for participation is not automatically determined by an individual's employment status or his current assignment. Rather, it is determined on a review of each individual's past and present assignments and his prospective career utilization by the Agency. Although the general criteria for this determination are contained in the legislation and, in more detail, in the proposed regulation, these will require interpretation as they are applied in individual cases. The reviews and recommendations regarding the designation of participants in the new retirement system will be made by Career Service officials and a new CIA Retirement Board and an authoritative determination cannot be made in any individual case until this process has been completed. Consequently, the Office of Personnel will not be in a position to answer inquiries from individual employees regarding their eligibility to participate in the system in advance of the formal review. The formal reviews will be phased so that those employees who already meet the age and overall length of service requirements to qualify for retirement under the new system will be reviewed first. Each employee who is eligible for participation will be notified as soon as a determination has been made in his case.

3. The new retirement system is comparable to the Civil Service retirement system in many respects. Some of the key differences are as follows:

a. A participant in the system may, with the approval of the Director of Central Intelligence, retire at age 50 and receive his earned annuity without reduction for being under age 60. In order to qualify for this type of retirement, the participant must have a total of 20 years of creditable service which includes 10 years of Agency service and 5 years of qualifying duty.

b. There is provision for involuntary retirement (similar to the discontinued service retirement under Civil Service) at age 50 with 20 years of service or at any age with 25 years of service. However, a participant in the new CIA Retirement System who is retired

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under this provision will receive his earned annuity without reduction for being under age 60. In order to qualify for this type of retirement, a participant must have at least 10 years of Agency service which includes 5 years of qualifying duty.

c. Mandatory retirement age under the new CIA Retirement System is age 60 for participants in grade GS-17 and below and age 65 for participants over grade GS-17.

d. Annuities under the new CIA Retirement System will be computed at two percent of the participant's average salary for his highest-paid consecutive five years of service multiplied by his years of service.

4. Additional information material concerning the new retirement system will be issued in the near future. In the meantime, general questions should be referred to the office of the Director of Personnel.

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